



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 16, 2011

H.R. 2011 **National Strategic and Critical Minerals Policy Act of 2011**

As ordered reported by the House Committee on Natural Resources on July 20, 2011

SUMMARY

H.R. 2011 would require the Secretary of the Interior to assess the capability of the United States to meet the demand for certain minerals used for manufacturing, agricultural, and national security purposes. The bill also would require the Secretary to complete a comprehensive report related to domestic production of certain minerals.

Based on information provided by the United States Geological Survey (USGS) and the Bureau of Land Management (BLM), CBO estimates that implementing the legislation would cost \$18 million over the 2012-2016 period, assuming appropriation of the necessary amounts. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2011 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2011 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					2012-
	2012	2013	2014	2015	2016	2016
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Mineral Assessments						
Estimated Authorization Level	3	3	3	3	3	15
Estimated Outlays	3	3	3	3	3	15
Mineral Report						
Estimated Authorization Level	1	1	1	0	0	3
Estimated Outlays	1	1	1	0	0	3
Total Proposed Changes						
Estimated Authorization Level	4	4	4	3	3	18
Estimated Outlays	4	4	4	3	3	18

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the end of 2011 and that the necessary amounts will be appropriated for each fiscal year. Estimated outlays are based on historical spending patterns for similar USGS activities.

H.R. 2011 would require USGS to expand its ongoing global mineral assessment and its upcoming national mineral assessment to include certain minerals used for manufacturing, agricultural, and national security purposes. USGS began working on the global assessment in 2001, it will include assessments of three mineral commodities, and will be completed in 2012 under current law. The bill would require the agency to complete a global assessment of at least six additional commodities. Based on information from the agency regarding the cost and time required to complete the ongoing global assessment, CBO estimates that expanding that assessment would cost about \$3 million a year over the next 10 years and \$15 million over the 2012-2016 period. Those amounts would be used to pay for additional staff, contract costs, and international travel.

The bill also would require the Department of the Interior to gather data related to mineral production from multiple federal agencies and to complete a report that would be updated annually through 2014. Based on information regarding the costs of similar activities and assuming appropriation of the necessary amounts, CBO estimates that implementing this provision would cost about \$1 million a year over the 2012-2014 period. Those amounts would be used to develop data tracking systems and to hire additional staff to gather, input, analyze, and update the data.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2011 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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